

THE STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

FINAL

REPORTER'S REVISED TRANSCRIPT OF PUBLIC HEARING

Phoenix, Arizona

November 18, 2005

9:30 a.m.

(Original)

Reported By:

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Certified Reporter (AZ 50127)

1 A PUBLIC MEETING, BEFORE THE CITIZENS CLEAN
2 ELECTIONS COMMISSION, convened at 9:30 a.m. on November
3 18, 2005, at the State of Arizona, Clean Elections
4 Commission, 1616 W. Adams, Conference Room, Phoenix,
5 Arizona, in the presence of the following Board Members:

6 Ms. Marcia Busching, Phoenix, Chairperson

7 Ms. Tracey Bardorf, Scottsdale

8 Mr. Gary Scaramazzo, Page (Teleconference)

9 Ms. Ermila Jolley, Yuma

10 Ms. Kathleen Detrick, Tucson

11
12 OTHERS PRESENT:

13 Mr. Todd Lang, Executive Director

14 Ms. Paula Ortiz, Executive Assistant

15 Ms. Colleen McGee, Fiscal Service Manager

16 Ms. Geneva Richardson, Campaign Finance
17 Manager

18 Ms. Diana Varela, Assistant Attorney General

19 Ms. Barbara Lubin, Clean Elections Institute

20 Mr. Doug Ramsey, Clean Elections Institute

21 Ms. Lydia Guzman, Clean Elections Institute

22 Mr. Christian Palmer, Arizona Capitol Times

23 Mr. Brian Wendell, OMA

24 Mr. Paul Peterson, OMA

25 Ms. Meredith Smyth, OMA

 Ms. Kelly Santana, OMA

P R O C E E D I N G

CHAIRPERSON BUSCHING: I will call the Citizens Clean Election Commission meeting to order at 1616 West Adams, Suite 110, Phoenix, Arizona. It's Friday, November 18th, 2005, at approximately 9:30.

I want to let the public know that the Commission may vote to go into executive session, which will not be open to the public, for any items listed on the agenda for obtaining legal advice. All matters on the agenda may be discussed, considered and are subject to action by the Commission.

The agenda for the meeting is as follows.
First item is, call to order, which I've already done.

Second item is approval of the November 3rd, 2005, Commission meeting minutes. Are there any additions or corrections?

COMMISSIONER BARDORF: Madame Chair?

CHAIRPERSON BUSCHING: Ms. Bardorf.

COMMISSIONER BARDORF: I have a couple typographical changes: Page five, line 12, I believe it was legislator, not legislature; page six, lines three and four, the word "passed" should be P-A-S-S-E-D on both of those lines and not P-A-S-T.

And I just wanted to commend Angela, because I

1 didn't see anything else. This looks great. With all
2 the babbling and talking over each other, she did a
3 great job.

4 CHAIRPERSON BUSCHING: Anything else?

5 I made mention to staff ahead of time
6 that this didn't reflect that Ms. Hammann was present,
7 and in fact she was. And there was one other time in
8 here where it referenced Ms. Richardson speaking, and I
9 think in fact it was Ms. Varela on page 11, line 8. I'm
10 sure those corrections will be made as well.

11 Any other additions or corrections? If not,
12 I'll entertain a motion.

13 COMMISSIONER JOLLEY: I'll move that we accept
14 the minutes as stated for November 3rd, 2005.

15 COMMISSIONER SCARAMAZZO: I'll second that.

16 CHAIRPERSON BUSCHING: It's been moved and
17 seconded that the minutes of November 3rd, 2005, be
18 accepted with the corrections -- I assume you meant
19 that.

20 COMMISSIONER JOLLEY: Yes, with the
21 corrections.

22 CHAIRPERSON BUSCHING: All in favor say "aye".

23 (Chorus of ayes)

24 CHAIRPERSON BUSCHING: Opposed, nay?

25 Chair votes aye. Motion carries.

1 Next item, the Executive Director's report.

2 MR. LANG: Thank you, Madame Chair. Good
3 morning, Commissioners. You see the report there. I am
4 continuing to meet with the members of the legislature.
5 It's been interesting. Those are starting to wind down
6 now. I only have one or two left.

7 I met with the League of Women Voters last
8 week, last Saturday at the statewide meeting. It was
9 very interesting, we had a great conversation. They're
10 certainly strong supporters of the Clean Elections Act
11 and they have a lot of good ideas.

12 I attended the studio taping along with
13 Commissioner Bardorf. We attended the studio taping of
14 the advocate series at our local PBS station on
15 Wednesday. That was great. David Bodney represented
16 the opposition and Paul Eckstein represented the
17 supporters of the Clean Election, and had quite an
18 interesting debate. It will be televised, I believe, on
19 December 18th -- is that right?

20 MS. LUBIN: 15th.

21 MR. LANG: December 15th on Channel 8. So that
22 will be worth watching.

23 Also, Diana Varela our ace attorney, celebrated
24 her birthday this week. So, happy birthday.

25 MS. VARELA: Thank you.

1 COMMISSIONER JOLLEY: Oh, happy birthday.

2 CHAIRPERSON BUSCHING: Happy birthday.

3 MR. LANG: Slight update on the participation.

4 We now have 31 participating candidates. And Colleen
5 McGee is telling me our tax donations are starting to
6 come in and will continue to come. So, that fund
7 balance will change.

8 Voter education. As you know, Michael Becker
9 is now on board, has hit the ground running and doing a
10 great job already. The one thing I should mention is we
11 now have nine debate applications, so that's moving
12 along. And including all statewide offices except the
13 attorney general. I think I'm going to talk to my
14 friends at the State Bar about that.

15 And you see the other voter education is as
16 normal. The report update, we have not heard back from
17 GRRC. We're still waiting to hear from them.

18 And we have received the auditor general's
19 final report regarding the participating candidate. And
20 my ED report is incorrect -- it was correct at the time
21 it was written -- but now we have received the report
22 regarding the internal administrative control. You have
23 both reports and they're in folders and on the agenda as
24 discussion.

25 Staffing. As I mentioned, Michael Becker is

1 here. Michael, will you stand up and say "hi"? We're
2 glad to have him. And Christina Murphy has accepted the
3 position of Administrative Assistant III. She's
4 starting on November 29th. We're very excited to have
5 her. I know Paula is very excited to have her. And I
6 know Paula is working hard on the Administrative II
7 position and reviewing literally hundreds of resumés.
8 That's where we are on the staffing.

9 Paula and I are strategizing about staffing and
10 some of those issues and we're working on that, and I
11 think we have some good ideas, and will be happy to talk
12 to the Commissioners about that after the meeting if you
13 like.

14 Enforcement. Nothing new to report there, so I
15 guess that concludes my report. Thank you.

16 COMMISSIONER BARDORF: I just have one quick
17 question. What was the result in the Murchison matter?
18 I just forgot what the outcome was from the ALJ.

19 MR. LANG: There's enforcement. A payment
20 order as I recall.

21 COMMISSIONER BARDORF: That was consistent with
22 what we had?

23 MS. VARELA: Well, the Commission, the ALJ
24 upheld the Commission's probable cause. And then
25 actually the Commission voted a couple of meetings ago,

1 it's been over the 30 days, voted to accept that
2 recommendation.

3 COMMISSIONER BARDORF: I just forgot.

4 MS. VARELA: No, it's been a while. So --

5 CHAIRPERSON BUSCHING: Any questions for Mr.
6 Lang?

7 Okay. If not, we'll move to Item four,
8 nomination and election of Chair for 2006. This is the
9 time that we're going to elect a Chair. We had it on
10 the agenda last time, and in deference to you, we --
11 well, if you want don't want to participate.

12 COMMISSIONER DETRICK: No, I love
13 participating.

14 CHAIRPERSON BUSCHING: So, we can have
15 discussion, or open it up for nomination, or what --

16 COMMISSIONER JOLLEY: Okay. I'll open it up
17 for nomination. As I stated last time, I would like to
18 nominate you, Marcia Busching, as the chairperson again.

19 CHAIRPERSON BUSCHING: Thank you. Thank you.

20 Is there a second? All right, if there's
21 not a second, want to have discussion or do you want to
22 have a further motion?

23 COMMISSIONER SCARAMAZZO: I would like to
24 nominate Tracey Bardorf for the Commission Chair for
25 2006.

1 CHAIRPERSON BUSCHING: Okay. Is there a
2 second?

3 COMMISSIONER DETRICK: I'll second.

4 CHAIRPERSON BUSCHING: It's been moved and
5 seconded that Tracey Bardorf become the Chair for 2006.

6 Further discussion or any discussion? You want
7 to discuss it at all, Gary?

8 COMMISSIONER SCARAMAZZO: No, I'm fine with it.
9 I just believe -- and I want to thank you, Marcia, for
10 your leadership during 2005, and I would like to just go
11 ahead and say that I have ultimate confidence in Tracey
12 doing as good a job as you have done.

13 CHAIRPERSON BUSCHING: Well, thank you. Thank
14 you very much. I appreciate it.

15 You're willing to undertake the
16 responsibilities?

17 COMMISSIONER BARDORF: I hate to say yes, but
18 I'll be held to that.

19 COMMISSIONER DETRICK: Madame Chair?

20 CHAIRPERSON BUSCHING: Yes.

21 COMMISSIONER DETRICK: I would like to echo
22 Gary's comments. And also to say it's a tough job being
23 the Chair, and you really have done a tremendous job
24 during some very, very, very difficult times. But, I
25 think it's also nice to rotate the Chair and see other

1 perspectives.

2 So, I'm supportive of Gary's motion.

3 CHAIRPERSON BUSCHING: Okay. Sounds good. All
4 in favor -- is there any other comments or discussion?

5 If not, the Chair will call for the question,
6 all in favor say "aye".

7 (Chorus of ayes.)

8 CHAIRPERSON BUSCHING: Chair votes aye. Motion
9 carries.

10 COMMISSIONER BARDORF: Thanks for your
11 confidence everyone. We'll see you in 12 months.

12 CHAIRPERSON BUSCHING: Item number five on the
13 agenda, presentation, consideration, and possible
14 approval of 2006 education plan.

15 MS. SMYTH: Nobody was sitting here when I
16 turned it on.

17 CHAIRPERSON BUSCHING: Go ahead. See where
18 we're at.

19 MS. SMYTH: It has to warm up a second.

20 MS. ORTIZ: We can turn the light off.

21 MS. SMYTH: You know what, it's really simple.
22 We probably won't need to.

23 MS. ORTIZ: Are you sure?

24 MS. SMYTH: Sure.

25 MR. WENDELL: Okay. Good morning, Madame Chair

1 and Commissioners. We thank you for this opportunity to
2 kind of give a 2005 year-in-review recap and also kind
3 of walk through our recommendations for the Clean
4 Elections Education Program in 2006.

5 We actually have worked with the Commission
6 staff and met recently this week with both Todd and
7 Michael regarding our initial recommendations. You have
8 seen an earlier draft this week. We have made
9 modifications to it and you do have a copy of the
10 revised plan today and revised budget and also the media
11 plan we'll get to as the plan progresses.

12 As Chair Busching commented a few moments ago,
13 2005 has been a very, very interesting year from a
14 Commission standpoint and also working as your
15 communication partner. We actually as an agency will be
16 getting our third season working with Clean Elections
17 and it will be our second election year as we were
18 contracted midyear 2004 as we were working with you on
19 that campaign year.

20 What we wanted is to start off with a 2005 year
21 review. At the beginning of this year, the Commission
22 actually authorized the BRC to conduct an independent
23 study regarding the awareness of Clean Elections among
24 Arizona voters. And that actually, the study was
25 conducted by BRC. They had done two previous studies,

1 the most recent one was in 2003. So they were able to
2 independently compare the findings and it was, you know,
3 very objective in nature.

4 And the results came back there was a 34
5 percent increase in Clean Elections' awareness among
6 Arizona voters. 400 citizens actually participated in a
7 phone survey with BRC, and it represented, you know, all
8 different ethnic groups, geography, ages, et cetera.
9 What was really interesting is that 78 percent of those
10 surveyed said they wanted to learn more about Clean
11 Elections. And from that, we'll able to identify gaps
12 where we needed to target our communications. And the
13 three groups we need to drill down on were: Women,
14 adults 18 -- between 18 and 35, and then Hispanics.

15 To continue our key learnings, the -- Colleen
16 Connor, while she was executive director of the
17 Commission, had actually shared in on of her executive
18 director reports early in the year, I believe it was the
19 first quarter, that the tax return of 2005 actually
20 showed a pretty significant increase.

21 And through pro-active communications, whether
22 it be through press releases, media relations, op-ed,
23 the \$5 tax check-off box for March 2005, was in excess
24 of \$1.6 million in comparison for March 2004; that
25 number was about \$828,000. So, that's something that

1 we, as part of our communication program, you know,
2 people are becoming more familiar. They are, you know,
3 kind of taking action, and, you know, marking the box
4 here on their tax returns.

5 Additionally, in 2005 there were a host of
6 enforcement matters which we were intimately involved in
7 working with the Commission, and we actually had great
8 opportunity and worked very closely with Chair Busching
9 as some staffing changes occurred and other matters
10 arose. Chair Busching really became the spokesperson of
11 the Commission and front and center on all topics as
12 pertained to the Commission enforcement matters and the
13 Attorney General.

14 And lastly here, which will really kind of tie
15 up our 2006 education program. We, actually in the fall
16 here of 2005, presented the \$5 Qualifying Contribution
17 Awareness Campaign, which was a combination of broadcast
18 spots, print advertising, and a direct-mail piece.

19 MS. SMYTH: Here's an example of the actual
20 creative that was produced for the mass-media campaign.
21 I want to back up really quick, because I'm -- I am not
22 familiar with the Commission. I'm new to OMA. So you
23 know who I am, I am Meredith Smyth. I work on the
24 advertising side just like Brian does, for PR also on
25 the advertising. And this Kelly Santana.

1 MS. SANTINA: I work on the interactive side of
2 Off Madison Ave. I have been here for about two years,
3 so I worked on the 2004 campaign and am now recommending
4 things for 2006 as well.

5 MS. SMYTH: So I in my time here, I came in
6 right before this campaign launched. So, basically we
7 did a direct-mail piece to 500,000 voters, we -- in a
8 one-time drop. All of our media was centralized and
9 focused in September. We also did newspaper advertising
10 in the outlying areas in seven different newspapers. We
11 did two drops -- two insertions during September in
12 areas like Kingman, Prescott, Yuma, Sierra Vista,
13 Flagstaff, to capture the audience which might not be
14 caught in the television advertising.

15 And then the bumper sticker is just
16 representative since we couldn't show the whole
17 television campaign up here. That was the final call to
18 action, everything was directed to AZCleanElections.gov.
19 And we saw high spikes in traffic, during the months of
20 September and following the campaign, from people on the
21 website.

22 MR. WENDELL: During 2005, in terms of our PR
23 strategy, we had a very aggressive, pro-active
24 communication outreach, which consisted of press
25 releases, opportunity pitches, op-eds, speaking

1 engagements, and desk-side briefings. And a chart that
2 we actually -- and I don't believe this was included in
3 your materials -- but we had created -- this was
4 actually Autumn Southard with the Commission. It really
5 kind of outlines -- I'm going to pass these out to Todd
6 and we do have copies for everyone here in attendance.

7 Our goals for 2005, were -- and as you will see
8 here in this bar chart -- were speaking engagements,
9 desk-side briefings, press releases, and op-eds were
10 well documented. And certainly there were instances
11 where we really needed to take a pro-active stand to
12 make sure all the key messages were being communicated.
13 Oftentimes there were inaccuracies being reported or
14 misconception. We really had to dispel some of the
15 myths that were out there and ensure that the Clean
16 Elections' side of story was told effectively.

17 Although, our program was in place, in light of
18 some staffing changes and other matters that were going
19 on at the Commission, some of our programs got tabled in
20 the midpoint during the year. For example, the speaking
21 engagements. We had a goal of securing 48 speaking
22 engagements and actually Autumn Southard and Eric
23 Gorsegrner were the primary spokespeople. And that
24 program actually ran through the end of May. So from
25 January to May, we were able to secure and implement 25

1 speaking engagements through organizations such as
2 Kiwanis, various Chambers of Commerce, Hispanic
3 organizations; and it was statewide everywhere from
4 Tucson, Kingman, all throughout Maricopa County.

5 Desk-side briefings were also a very key
6 component, because there were many reporters that either
7 were new covering the Clean Election topic, whether it
8 be general assignment reporters, beat reporters, as we
9 like to refer to them, or Paul Davenport, Robbie
10 Sherwood, et cetera, who covered the Commission on a
11 regular basis. But outside Maricopa County, there are a
12 number of reporters' outlets that aren't familiar with
13 the Clean Elections and the Act, and it's very important
14 we establish that relationship with the Commission, with
15 its management, and really foster this two-way
16 relationship.

17 COMMISSIONER BARDORF: Can you explain to me
18 what a desk-side briefing is.

19 MR. WENDELL: It's more of an informational
20 interview. You really -- we'll talk -- we're going to
21 be doing this shortly here for Michael as well now in
22 his role. It really offers an opportunity for someone
23 new with the Commission, whoever the spokesperson is, to
24 talk about what, you know, what the Commission is, the
25 Act, how it benefits citizens, and more importantly it's

1 a way to establish that one-to-one relationship.

2 COMMISSIONER BARDORF: You would initiate the
3 contact with the reporter?

4 MR. WENDELL: Correct. We'll essentially pitch
5 them. And as I mentioned, it's not for a specific story
6 in mind, it's more like a meet-and-greet so to speak.

7 COMMISSIONER BARDORF: I see.

8 MR. WENDELL: Really great way to give them a
9 very solid and informational download. And we'll share
10 with them the press materials and all the background. A
11 lot of them, they may know Clean Elections, but they're
12 not familiar with all the intricacies.

13 COMMISSIONER BARDORF: Thanks.

14 MR. WENDELL: No problem.

15 Also, the news releases, we had a steady
16 stream of news releases. We are a little less than
17 where we wanted to be optimally. Although there were
18 some things that kind of came up during the year, we had
19 to table some of our pro-active approach. Although from
20 a op-ed standpoint, we worked very closely with Chair
21 Busching to develop topics and also help and assist in
22 writing those articles in then getting them placed in
23 likes of the Arizona Republic, Tucson Daily papers, and
24 other major dailies from around the state.

25 Our next slide here is crisis communications.

1 There were certainly many topics that came up during the
2 course of the year that some were unforeseen, others
3 became a media focal point that definitely warranted us
4 to be very pro-active, put together some key messaging,
5 to block and bridge some of the misinformation that was
6 being reported, whether it would be the Representative
7 Smith topic, Rosati, Murphy, Gould. You know, actually
8 when Todd first started, the Mr. Shaffer verdict was
9 rendered.

10 So there were a number of topics that came up
11 where we really had to work hand-in-hand to make sure
12 that the Clean Election side of the story was being
13 properly communicated. And a key way for us to stay on
14 top of all the news that is out there and who is
15 covering Clean Elections is not one of usual suspects is
16 daily news monitoring. We do forward that to Commission
17 staff and Commissioners each day. It's not even
18 relegated to Arizona. Certainly Clean Elections is a
19 topic in my other states that is beginning to take shape
20 and we're able to glean what's happening elsewhere and
21 how we can best position that here in our own market.

22 And then lastly there, our pro-active
23 communication relations that we work on day in and day
24 out every week with the reporters here in Maricopa
25 County and throughout the state.

1 MS. SMYTH: As Brian mentioned at the
2 beginning, there was a benchmark study done in 2003 and
3 another one following, actually at the beginning of
4 2005, but it was measuring the success of the 2004
5 efforts. What we found was a 34 percent increase. So,
6 where we started at a 44 percent in 2003 of citizens
7 being aware of the Act and the Commission, we saw a very
8 distinct increase at the beginning of 2005.

9 Now with our 2005 efforts, we would like to do
10 another survey at the beginning of 2006, January 2006,
11 to evaluate those efforts and see where we're at in 2000
12 -- moving into 2006. That will help guide -- you know,
13 we've outlined what our recommendations are, but that
14 will help guide any slight modifications that need to be
15 made or identify key messages that need to be added into
16 it.

17 And then 2006 we also recommend doing another
18 survey. We'll get into this a little bit more what our
19 recommendation is later in our outline here. But, we do
20 recommend measuring our growth and measuring our success
21 of the campaign as we go through it.

22 Moving into the 2006 plan. Our first objective
23 is to continue to build awareness, understanding, and
24 participation of the Citizens Clean Election Act.

25 MR. WENDELL: From a PR standpoint, we had a

1 meeting recently with Michael and Todd and we are going
2 to certainly mirror a lot of efforts that were very
3 successful in 2005. What we found to be very helpful
4 was our 12-month media-relations strategy, really kind
5 of outline that quarter by quarter, identifying what are
6 strategic, you know, press releases, op-eds, pro-active
7 pitches, looking at, you know, the calendar of topics,
8 you know, for participating candidates as they kind of
9 move forward as the campaign draws near, and also
10 desk-side briefings.

11 It's going to be very important to maintain the
12 momentum that we have established up until this point.
13 Now that we have a staffing change from Autumn Southard
14 to Michael Becker, in the fact we want him to be seen as
15 the official spokesperson, somebody that the media will
16 turn to for reliable information, anything that pertains
17 to Clean Election, and the upcoming election.

18 The Speakers Bureau is also going to be a very
19 strong component of the 2006 PR campaign. Securing
20 speaking opportunities for Todd, Michael, other folks
21 from the Commission staff with the Chambers of Commerce,
22 minority business associations, will be very beneficial
23 really to establish that relationship and just to have
24 their share of voice here in the focal community outside
25 of Maricopa County and also within the towns surrounding

1 the greater Phoenix area.

2 And lastly here, what we'd like to do is
3 continue using the monthly e-newsletter that the
4 Commission presently uses. We'd like to take that to
5 the next level. We actually worked with the Commission
6 staff in recent months in terms of developing the
7 content for that.

8 Kelly is going to talk a little bit later about
9 how this will be incorporated into our interactive
10 strategy and how we can measure that we are sending it
11 out to 500 people, how many people are actually opening
12 it from that e-mail, other than go to Clean Elections
13 Website, what areas are they going to to learn more
14 information. This is to really ensure that really all
15 of our -- all of our outreach is very targeted and that
16 we are addressing the topics that are most important to
17 the contacts in our database.

18 MS. SMYTH: From a media standpoint, our goal
19 in 2005 was to launch the \$5 qualifying contribution
20 period. And the reason that we placed advertising in
21 September was to launch that off, to kick it off, to get
22 people aware that it was going on. So as candidates
23 went out and started talked to people door to door,
24 people were aware this was going on.

25 In 2006, it's an election year. So, we have a

1 little bit different outlook and our goal was going to
2 shift a little bit. So we have changed our plans from
3 last year. We ran newspaper, direct mail, and
4 television.

5 We already have the television spot we can use.
6 We don't have to use new creative for that. We can
7 extend the creative that's been running previously into
8 2006 and overlap that with radio.

9 We recommend doing four targeted flights. Last
10 year we did one kicking off the campaign. This year
11 four, because we need to create a higher level of
12 frequency. While we did have a broad reach with the
13 newspaper and the direct mail, we did not develop enough
14 frequency as we would like to have leading into an
15 election year. It's going to be very important people
16 are aware of this. Especially if it comes on the
17 ballot, and reenforcing the message will be a strong
18 component of the media.

19 We recommend radio because you can reach a lot
20 of people in radio. By combining television and radio
21 at the same time, that creates a synergy that will
22 really cover and encompass the whole state. We'll be
23 able to place radio at the outlying areas. And
24 television, the television we have here, the stations if
25 you run on a major station, they cover the whole state.

1 And we have a really, really broad reach. And
2 television and radio have such high frequency, it's a
3 good mix to really get our message out effectively.

4 Coupling with that, there's a couple of things
5 we can do to extend within the times we don't have
6 flights. If we produce a radio spot -- we'll have to
7 produce a radio spot anyway -- if we produce a 15-second
8 radio spot, as well as modifying our exiting television
9 spot to a 15 second, we can provide stations with a PSA,
10 public service announcement, and they will air those
11 when they have extra inventory. So, non-pay, you know,
12 we're closing a lot of added value in the in-between
13 time to get a little bit more of extension in our
14 messages.

15 In addition to these, we're also researching
16 some other more grass-roots-type things like theater
17 slides -- well they're not really grass roots -- but
18 theater slides and outdoor campaign. We're also looking
19 into Hispanic marketing. If we did Hispanic marketing,
20 we would have to incur the cost of producing messages
21 specifically for the Hispanic market. It's not in this
22 day and age it's just not enough to translate things,
23 you have to produce them for them if you want to make a
24 difference in their communications basically.

25 So, as far as where we would place this media,

1 we have not defined exactly what stations, but we would
2 do research prior to placing this, if this plan is
3 accepted and we move forward. Then at that point, we
4 would take what our target audience is and find out what
5 availability is on each of the stations and the best
6 reach of frequency for our money.

7 MS. SANTINA: Online media is a great way to
8 get support from traditional media like radio and
9 television, and also gain visibility. So many people
10 turn to the Web for information and resources. Making
11 sure we have a presence there in 2006 is a key objective
12 of ours.

13 The other thing about online media is it's
14 trackable results. We can definitely provide how many
15 people saw the advertisement, what the engagement level
16 is, if they click through the Website. And once they
17 are on the Website, did they sign up for the
18 e-newsletter or download a candidate list, things of
19 that nature. It gives us some results that throughout
20 the campaign and end of the campaign we can make
21 adjustments to make sure we're optimizing along the way.

22 The first way we recommend increasing that
23 ability is through online display advertising. This is
24 a screen shot from Arizona Central. I'm sure we're all
25 pretty familiar with that. If you're reading the

1 morning headlines, or checking the sport score, or
2 weekend weather, the site has several different ways of
3 advertising. These are two of the ways: At the top of
4 the page, and then a pull-out over the content to grab
5 attention and get you to stop.

6 The interesting thing about Arizona Central is
7 we can re-purpose the television commercial to play
8 online. We're getting dual use of that already produced
9 television commercial.

10 We're recommending a five- to six-week,
11 starting the last week of September and first week of
12 October to through election day to gain support through
13 that general election period. Obviously add things
14 through the primary, but our real target at this point
15 is for the general election.

16 Another idea we have is geo-target all of the
17 ads to only people in Arizona. So that computer located
18 in Arizona, be it Flagstaff, Tucson, Yuma, et cetera, we
19 want to touch those people. There will be no wasted
20 impressions, no wasted advertising by using that kind of
21 targeting.

22 Sites may include things like Arizona Central,
23 again the largest site actually in the state. They have
24 over seven million users monthly. Arizona Family is the
25 second largest site within the state. They have a high

1 woman demographic and programing such as Good Morning
2 Arizona that also increases their use on a daily basis.

3 One of the things we're going to look at is
4 using a national network such as AOL. But, again,
5 geo-targeting to only people who are using a physical
6 computer in Arizona. Through the AOL we can get some of
7 the national sites such as CNN.com, Business2.0, that
8 kind of feel. Obviously things such as Arizona Daily
9 Sun, Yuma Sun, Tucson.com will also be part of the
10 online banner media mix throughout there.

11 The second part of the online marketing is a
12 pay-per-click campaign. And the easiest way to think
13 about this is if you're on Google and surfing for a
14 keyword such as possibly, you know, "Arizona Clean
15 Elections" or "CCEC", it's results that show in that red
16 box. It is a way of paid advertising. So, basically
17 you pay to play. It's a text-link advertising and
18 really the most effective way.

19 By targeting specific key words and also
20 targeting users whose computer is located in Arizona,
21 there's virtually no waste. We are only charged if
22 someone actually clicks that blue link. So the ad could
23 be shown 10 times, but if someone only clicks once, we
24 are only charged one. There's really no waste. And
25 click charges are as low as 20 cents. So, the budget is

1 effectively used with little waste and we can target
2 using key things like I said.

3 Like I said, some of the ones we've got online
4 is Arizona Clean Election, CCEC, Clean Election law,
5 election debates, candidates list.

6 The thinking behind any kind of search
7 marketing is, this is someone who is actively on Google,
8 Yahoo, MSN, sites of that nature, and looking for
9 specific key words. They are already qualifying
10 themselves with a higher interest than, you know,
11 perhaps someone just looking at a Website or picking up
12 the newspaper. So, it's a qualified viewer that we can
13 then link back to the Website and track results from
14 there.

15 The second part of any kind of search marketing
16 is search engine optimizer. So the same screen shot and
17 then looking at the main listings that come up. There's
18 statistics that we use in Internet marketing. Most
19 Internet users, just generally speaking, about 60
20 percent will click on the green box and 40 percent will
21 click on the red box. So being in both spaces really
22 gives the whole campaign a lot of support, but you're
23 making sure you cover in all kinds of search marketing.

24 These type of search results you cannot pay to
25 be in the listing, it's a combination of a copy of your

1 Website and content. And Google or Yahoo, the search
2 engines, basically rewords your site as they see your
3 information resource, and gives you accurate information
4 based on key words as well. So that kind of rounds out
5 an online plan, making sure we're not only hitting the
6 news sites or branding sites such as Arizona Central and
7 Arizona Family, but also the search kind of audience
8 that is down that road of information already.

9 MS. SMYTH: Next moving into our next
10 objective. We want to continue to educate perspective
11 candidates about the resources Clean Elections makes
12 available, including funding and guideline.

13 MR. WENDELL: From a PR perspective, certainly
14 what we want to definitely highlight in leverage is the
15 candidate workshops, pressure workshops, and debates for
16 both primary and general election.

17 In 2004 our agreement with the Commission was
18 the staff of Off Madison Ave. actually attended all the
19 debates outside of Maricopa County to help facilitate
20 the debates, work with the media sponsors, and then also
21 to media relations on site. There were a number of
22 debates that I personally went to in Sierra Vista,
23 Kingman, Bullhead City. And I can certainly say there
24 was outstanding attendance on behalf of citizens in
25 those markets and also there was tremendous media

1 response. Certainly we had pitched them proactively to
2 part of the debates. And in some of those more rural
3 communities, these debates are really kind of the hot
4 spot to be on a Tuesday night. So --

5 COMMISSIONER JOLLEY: Yes.

6 MR. WENDELL: -- I say that with much
7 enthusiasm.

8 But in 2006 -- in a meeting that we recently
9 had with Michael and Todd -- our role is going to be
10 slightly altered. I believe the Commission staff
11 actually is going to be attending more of the debates
12 and the Off Madison Ave. staff will be brought into the
13 mix, whether it be out-of-town debates or debates here
14 in the valley, especially when there's multiple debates
15 on a single night.

16 However, the debates are going to be, you know,
17 very key issues, leverage and communication from a
18 pro-active perspective during the course of the
19 re-election.

20 MS. SANTINA: Along with that, like we talked
21 about before, the Website is going to be seen as a key
22 resource for information not only for potential or
23 participating candidates, but also for citizens. As we
24 increase our media through TV and radio and also some of
25 the online admissions that we just talked about, the

1 Website is going to be the driving force behind that
2 information.

3 Oftentimes the Website is the first or only
4 interaction a candidate or citizen may have with Clean
5 Elections. So making sure that this is, you know, the
6 optimal usability and search engine and qualities that
7 help us in the ranks with Google and Yahoo. And also
8 gave people resources that they're looking for in a
9 quick fashion, is something we really need to
10 investigate early in 2006.

11 Typically, by looking at a website's history
12 data log for the past three months, we can really see
13 the usage patterns on the Website, see where people are
14 spending most of time, see where they drop off or leave
15 the site, and tweak some of those pages so there's an
16 easier flow for people off the home page. And we're
17 making sure that the items that are most called upon are
18 found quickly.

19 The second part of that is the candidate e-mail
20 reminder service. And this is an idea we had to really
21 show that the Commission is behind helping candidates in
22 this process, that's what we're here for. So, by having
23 a type of electronic record and reminder service that
24 goes out to candidates via e-mail, there again, we can
25 track who opened, who clicked on it, and it's a quick

1 way to get information out.

2 Another nice part about this kind of service,
3 is because we know almost all the deadlines up front, we
4 can create those e-mails in advance in the first quarter
5 or so in the year. And so they're just ready to go, so
6 as we get busier and busier towards the general
7 election, those will be ready.

8 One of the examples we have is June 9th, five
9 days before the deadline, file your nominating petition.
10 Let's send an e-mail giving the candidates that that's
11 what the deadline is, here's how you go about that, or
12 the next step is, or upcoming debate, or that kind of
13 thing. And, again, who opened the e-mail, did they
14 forward it, and what did they click on, and that kind of
15 stuff. It opens the communication on both sides by the
16 Commission and candidates with the electronic service.

17 MS. SMYTH: Our next objective is to focus on
18 active citizen groups, minority groups, and minority
19 opinion leaders.

20 MR. WENDELL: Once again, the statewide Speaker
21 Bureau is going to be the way to scratch the efforts of
22 pretty much the elections campaign in 2006. It's a true
23 grass-roots movement and will be a way to establish
24 credibility on behalf of whether it be Todd, Genevra,
25 Michael, whoever will be our spokesperson attending, you

1 know, these community activist groups, you know,
2 different minority associations. And really kind of,
3 you know, establishing that one-to-one communication
4 with these opinion leaders. People that can really kind
5 of, you know, begin to speak on behalf of the Commission
6 and help communicate our message as well.

7 It's great that we're taking a pro-active
8 standpoint, but it really helps when you have other
9 people that are also singing your praise and also
10 communicating the same key messages about the
11 organization.

12 MS. SMYTH: One piece that's already in
13 development now that Autumn actually initiated prior to
14 leaving is a bilingual information card. And it's a
15 piece, a tool, that will be used for, you know,
16 primarily for the candidates during the \$5 contribution
17 period, qualifying period.

18 She -- in initial discussion about this, is it
19 was discussed, what else could we do with this? Is this
20 a piece we could use ongoing for a while? And in recent
21 discussion, you know, some red flags went up; we have
22 some limitations here for staffing, where will we put
23 all these if we order them in bulk? What we would like
24 to propose, because we think this was a really good idea
25 and we'd like to see it happen, because it's an all over

1 the state marketing effort.

2 What we propose is Off Madison Ave. in
3 conjunction with CCEC, develop a list, a targeted list
4 of places, you know, places such as cultural centers,
5 schools, universities, you know, student centers, voter
6 booths, corporations could give them out, political
7 groups on college campus, you know, any high-traffic
8 area that could hand these out and distribute these for
9 us reaching a much larger audience than we could by foot
10 or putting them here and giving them out.

11 We would like to work on that list with you,
12 develop a few targeted key places that we would want to
13 get this out there, then Off Madison would take it on to
14 develop those relationships with the distributable
15 locations, figure out how many they would need -- we
16 obviously have to store these somewhere, probably at the
17 printer -- but develop those relationships and find out
18 -- we would facilitate the work behind it, how many
19 cards they need, when they could be distributed, how
20 they would hand it out, and all the details that go
21 behind it. We would coordinate all the delivery
22 instructions and the quantity and we would work that out
23 with the Clean Elections and then get them over to them.

24 Our final objective is to continue to build
25 awareness and understanding of Clean Elections as a

1 non-partisan steward of campaign assistance among the
2 media, key influencers, and legislators. And what we
3 mean by campaign awareness is pretty much a core goal of
4 administering, implementing and enforcing that.

5 MR. WENDELL: Certainly over 2005, there were,
6 you know, there were many media stories that were
7 written that, you know, maybe pertain to the enforcement
8 matters that the Commission had a biased approach and
9 certain groups felt they were being picked upon. And
10 really it's going to be critical that, as discussed
11 earlier, to continue the momentum that's been
12 established thus far with previous Commission staff so
13 really kind of -- not really skip a beat.

14 You know, in connection with the Speakers
15 Bureau and desk-side briefings, it gives a way for the
16 Commission staff to really, I guess, communicate
17 directly with those decision-makers, and really people
18 who are really kind of seen as gatekeepers and who
19 people look to for information, the media are a core
20 component of that. Oftentimes people are more likely to
21 read, you know, what they're seeing on the news, reading
22 in the papers, et cetera.

23 Our biggest objective is the fact we need to
24 make sure what's being reported is accurate and it's not
25 like some reporter's personal slant that he or she has.

1 We've definitely had some of those instances over the
2 past year where we've had to tackle those head-on, and
3 it's really been a combined effort on behalf of Off
4 Madison Ave. and the Commission to combat those. And
5 we've had some, you know, many successes, but at the
6 same time, we've had our challenges.

7 And that's why it's important to stay on top of
8 it and so right now it's going to be especially critical
9 moving forward, especially in an election year to have
10 Todd, Michael, Genevra, et cetera, really seen as, you
11 know, the leaders of the Clean Election Commission and,
12 you know, in what the Ace embodies.

13 MS. SMYTH: Like we discussed earlier,
14 evaluation and research is a key component of any plan
15 in measuring the success of what your efforts are. We
16 do recommend doing a pre-campaign evaluation, like I
17 said earlier, in January of 2006. We want to evaluate
18 how many more citizens we've impacted and, you know, the
19 increased awareness in the state.

20 But not only that, we want to dig a little bit
21 deeper. You know, it's one thing to know how many
22 people you're are reaching and you're increasing
23 awareness, and we should be because we're putting a lot
24 of efforts out there.

25 What we want to move into and determine is,

1 what do people think about the Clean Elections; what do
2 they think about the Act; what do they think about the
3 Commission; what do they know about it; and what are
4 their feelings towards it? Knowing those things will
5 help craft our future messages and key components of
6 future plans.

7 We also recommend, not only in January but also
8 a follow-up. We have a lot of efforts going out this
9 year, increase in media, a strong drive in PR, and then
10 the additional online component being a very, very
11 strong addition to this year's plan. We want to
12 determine how those efforts were impacted on citizens.

13 And following up, you know, if we asked those
14 pre-campaign evaluation questions about what their
15 feelings are, then we can determine some of our
16 successes and maybe challenges for the 2007 year in our
17 post-election evaluation.

18 We recommend that the studies also be conducted
19 by the Behavior Research Center. They have conducted
20 all the other ones and they're an outside company,
21 non-biased party. And, you know, like I said, finding
22 out this information will really help determine and
23 craft key messages moving forward in the future.

24 That's all we have. If you guys have any
25 questions, we're happy to discuss.

1 CHAIRPERSON BUSCHING: Commissioner Jolley.

2 COMMISSIONER JOLLEY: I don't have a question
3 but I have a recommendation on the grass-roots marketing
4 when you were going to target perhaps distribution to
5 the cities and county libraries throughout the state.

6 MS. SMYTH: We were told we can't actually to
7 the library.

8 COMMISSIONER BARDORF: No porn and no election.

9 MR. LANG: Nothing dirty and nothing clean.

10 COMMISSIONER JOLLEY: It's not endorsing
11 anyone, just giving out information. You can't go to
12 libraries?

13 MR. LANG: There's no prohibition. What we
14 found is there was some resistance by the library. It's
15 anecdotal so it's still possible.

16 MS. SMYTH: It's something to clearly rule out.
17 If it's a possibility, we would definitely want to check
18 into it.

19 MS. ORTIZ: Commissioner. Our candidate
20 statement pamphlet goes to every library in the state.
21 So that's one message that does get in there.

22 COMMISSIONER JOLLEY: Oh, good.

23 CHAIRPERSON BUSCHING: Other questions by
24 commissioners?

25 I had a question on your Behavior Research

1 Center's study. With you having such variations in the
2 amount of publicity going out during the year, I would
3 -- my natural reaction is it would make sense to be
4 consistent in the months that you do the research so
5 that the research isn't influenced by highs and lows in
6 the amount of media going out. And I know that the
7 first -- between the first and the second research was
8 like 18 months, and now it's shortened down to 12
9 months. I mean, you're proposal is 12 months and then
10 it's shortened down to 11 months, and I'm curious about
11 your thinking on that.

12 MR. WENDELL: What our thinking was, was the
13 fact that we wanted to -- we -- the BRC is likely to
14 measure the awareness, we wanted to certainly coming off
15 a nonelection year for 2005, kind of measure, you know,
16 kind of establish the benchmark where things were at
17 right now and beginning of the calendar year for
18 January. But more importantly, we really wanted to
19 measure, you know, the understanding and valency towards
20 Clean Election Act. That's something the BRC has not
21 done to date. It was more of an awareness state.

22 I greatly appreciate your comment, like, the
23 timing. We wanted to certainly, you know -- did in
24 January of last year, do it again in January of now,
25 and, you know, kind of measure at the end what happens

1 during the course of the election cycle. That could be
2 something that could get pushed back. It -- it is just
3 right now our recommendation while things are still
4 fresh come December '06.

5 CHAIRPERSON BUSCHING: To have the highest
6 level of awareness?

7 MS. SMYTH: You do make a good point though.
8 It's a very good point. From an awareness perspective,
9 you could really do an awareness perspective study at
10 any point in time, whether you're doing messaging
11 currently, or its been a while, or right after, because
12 you're just measuring awareness.

13 If people are aware, they're aware. And if
14 we're putting out messages, we definitely want to
15 measure before we put them out and see where people are.
16 And then after we put them out, it definitely tells us
17 if we were effective with our messaging.

18 That was the thought process. And previously
19 there weren't as many elections with having it not be as
20 important to have a direct follow-up. But if we are
21 putting a large effort in all this, you know, messaging
22 out there, we should follow up and see if it was
23 effective.

24 MR. WENDELL: And we also wanted to propose
25 more open-ended questions for these survey participants

1 to answer. A lot of them were closed-ended to date and
2 we wanted to glean more information from the 400 or so
3 people that are participating in these BRC surveys.

4 CHAIRPERSON BUSCHING: Commissioner Jolley?

5 COMMISSIONER JOLLEY: Yes. I have another
6 question. Well, perhaps doing these questions by
7 behavior study, does that help our efforts in trying to
8 get the public to help check off the box in the \$5
9 donation in doing their taxes, or does that work hand in
10 hand, or something separate?

11 MR. WENDELL: Yeah, would be something
12 separate.

13 COMMISSIONER JOLLEY: Okay.

14 CHAIRPERSON BUSCHING: Other questions?

15 Mr. Scaramazzo, you're still there,
16 aren't you?

17 COMMISSIONER SCARAMAZZO: Yes. Still
18 listening.

19 CHAIRPERSON BUSCHING: Good. Good. Good.

20 Is there anyone from the public that
21 wishes to speak to this matter? No.

22 COMMISSIONER BARDORF: I just have one question
23 on the budget.

24 CHAIRPERSON BUSCHING: Commissioner Bardorf.

25 COMMISSIONER BARDORF: The monthly fees on the

1 budget, is that the retainer that was referenced in the
2 materials?

3 MR. WENDELL: Correct. And just -- actually,
4 some of you are probably not aware of this, just because
5 this is a very, like, day-to-day management perspective.
6 We work with Paula and now Michael in terms of each
7 month what the scope of activities are, what the
8 estimated, you know, time is going to be designated to
9 it, if there's a Commission meeting, enforcement
10 meeting, if there's just other pro-active work that's
11 going on, it certainly does ebb and flow.

12 That would be like the max so to speak. The
13 last several months, we've actually been coming in
14 several thousand dollars under budget.

15 COMMISSIONER BARDORF: Is it like an hourly
16 bill?

17 MR. WENDELL: It's an hourly bill and we only
18 bill for the hours we spend. And we reconcile the
19 projected hours and then the actual at the end of the
20 month.

21 CHAIRPERSON BUSCHING: Could you talk about how
22 this budget compares to last year and with respect to
23 the various line items; and whether they're up, down,
24 the same, whatever?

25 MR. WENDELL: Certainly. I mean, in terms of

1 for 2005, our -- like, our media spend came in around, I
2 believe it was like \$350,000. That was a combination of
3 the broadcast spot, the print, and also the direct mail.
4 The direct-mail piece alone was \$150,000.

5 And what we, you know, we've been talking with
6 the Commission staff actually about rather than not
7 doing a direct-mail piece in 2006, use those funds that
8 were kind of earmarked for a direct-mail piece and
9 actually put them more into the media, whether it be
10 broadcast, radio, or also the interactive marketing.

11 In terms of, like, the monthly fees, that's
12 pretty consistent. And certainly as we move forward,
13 you know, with regard to working with Commission staff,
14 it really depends on the number of flights we want to do
15 with TV, radio, and online. It's always with the
16 frequency and reach.

17 We can scale these things back. We developed
18 these proposals in terms of figures from the Commission
19 staff as far as terms of budget and how they saw things
20 mapping out from the coming year.

21 CHAIRPERSON BUSCHING: And how does the total
22 budget compare with 2005?

23 MR. WENDELL: With 2005, it's approximately --
24 because there's more media involved in 2006 -- it's
25 approximately \$250,000 greater.

1 CHAIRPERSON BUSCHING: Mr. Lang, do you know
2 what our limits are on this?

3 MR. LANG: I can tell you -- I don't know. I'd
4 have to get back to you on the exact numbers. But, I
5 can tell you that we're well within our budget range
6 with what's permissible.

7 MS. ORTIZ: 2005 was \$800,000 with the total
8 plan.

9 COMMISSIONER BARDORF: It's a percentage of our
10 --

11 MS. ORTIZ: 10 percent.

12 MR. LANG: Of our total budget.

13 COMMISSIONER BARDORF: So, 24 million or a
14 smaller number than that?

15 MR. LANG: 10 percent can go to educational.

16 MS. ORTIZ: But there can also be debates.

17 COMMISSIONER BARDORF: 10 percent of our fund
18 balance or budget?

19 MS. ORTIZ: Of our budget.

20 CHAIRPERSON BUSCHING: Ms. McGee, would you
21 like to --

22 MS. MCGEE: It's 10 percent of our expenditure
23 cap which is basically close to 11 million. So we have
24 to spend at least 10 percent of that on voter education.

25 COMMISSIONER BARDORF: Is there a cap on what

1 we can spend on it?

2 MS. MCGEE: No, not for voter education. For
3 enforcement we do have a limit. But for voter education
4 we have to at least spend 10 percent.

5 COMMISSIONER BARDORF: I wish we had budget
6 like this in my house. We could spend 10 percent on
7 food.

8 CHAIRPERSON BUSCHING: Yeah.

9 So, Ms. McGee, this is totally within the
10 guidelines that we have?

11 MS. MCGEE: That's correct, Chair.

12 CHAIRPERSON BUSCHING: Okay.

13 COMMISSIONER JOLLEY: I have another question.

14 CHAIRPERSON BUSCHING: Commissioner Jolley.

15 COMMISSIONER JOLLEY: Yes, on the budget again,
16 I guess we should anticipate there would be an increase
17 anyway because of the election year.

18 MR. WENDELL: And, yes, that was -- that was
19 taken into consideration as well. It's not going to be
20 as significant in media increases because of also the
21 presidential election of 2004, where this year there are
22 some with the governor running for re-election,
23 secretary of state. There are some big races being a
24 non-presidential election. The increases won't be as
25 steep, but will be more than an off year.

1 COMMISSIONER BARDORF: Meaning increasing cost
2 of air times?

3 MR. WENDELL: Just for the buys, yes.

4 MS. SMYTH: So you know what happens, in
5 presidential elections the media has to allow the
6 presidential campaign to have any of their availability.
7 So that means their availability which they would have
8 on nonelection years goes like this, so they charge like
9 this.

10 CHAIRPERSON BUSCHING: You touched upon the
11 newsletter in the presentation. Could you explain more
12 what your concept is? Is the content going to change or
13 are you -- what are you anticipating in that regard?

14 MR. WENDELL: I mean, the content, it will stay
15 much the same as now. It definitely used as an
16 informational tool, you know, communication with, I
17 believe, the database has 400 contacts in it. It can be
18 candidates or other interesting parties who are often on
19 the Clean Election Website who are interested in
20 receiving information on the various workshops,
21 Commission meetings, new appointments to Commission
22 staff.

23 We've also covered some other topics as it
24 relates to some enforcement matters. And really as a
25 way to, yet again, reaffirm our messages, communicate

1 with those that are interested parties what was going
2 on, and that way they can hear from the Commission, you
3 know, our point of view to make sure that, you know,
4 everything was consistent.

5 I think what we would like to do is make sure
6 that the e-newsletter is synergistic with, you know, the
7 pro-active communications we were doing. Also, let's
8 say someone from the staff is doing a speaking
9 engagement at, you know, the Chamber of Commerce, as a
10 way to invite other people to come out to hear he or she
11 speak.

12 MS. SANTINA: Just to give a little bit of
13 background on that topic. In 2004 the current e-mail
14 monthly newsletter, it was something Off Madison did
15 produce and went through the system and we were able to
16 provide results. 2005 wasn't an election year, that
17 kind of thing. It was taken in-house on the Commission,
18 and they were sending it based on in-house
19 functionality, if you will.

20 In 2006, we're recommending to take it back,
21 the actual send so we can provide reports to you and say
22 how many people opened and where the clicks were on and
23 where are the people going off that. I don't know if
24 the in-house functionality allows for that kind of
25 reporting.

1 The content would stay nearly the same. The
2 layout the same. Just, so the actual send would have
3 some matrix to support it.

4 MR. WENDELL: And I would like to add the
5 op-eds that we worked on, we could have those op-eds
6 included in the e-newsletter in case they didn't see the
7 editorial ran in the Republic. Whether it be on
8 independent expenditures or enforcement matters, what
9 have you. And I have covered many topics over the past
10 nine months.

11 CHAIRPERSON BUSCHING: Is there any way -- or
12 do you now get the e-mail addresses of people that have
13 filed as candidates with the Secretary of State?

14 MS. SANTINA: We do not currently.

15 MR. WENDELL: Yeah, no.

16 MS. SANTINA: Unless they have opted into the
17 e-newsletter. I don't know if that's an option for
18 purchase. There's quite a few spam laws out there about
19 how you can use e-mail. So, in order to e-mail
20 somebody, they need to say, "I would like to receive
21 information from you." So that's why the opt-in on the
22 Website allows us to have communication with that
23 person. But as far as going to get a list outside of
24 someone that said, "Yes, e-mail me," can be a little bit
25 of an issue.

1 CHAIRPERSON BUSCHING: Yeah. Obviously, if
2 we're going to provide the service of notifying the
3 deadlines, it would be helpful if --

4 MS. SANTINA: Yeah, that's right. They need to
5 opt-in. One of the things that is acceptable is to send
6 one e-mail -- if we can gather their names -- and opt-in
7 from that point. So they have one chance to say yes and
8 that's covered by spam laws and then it's open
9 communication from there.

10 MS. ORTIZ: Chair, our office gets that
11 information. It's noted on the Application For
12 Certification when we get it from the Secretary of
13 State.

14 CHAIRPERSON BUSCHING: So, it's something to
15 consider?

16 MS. ORTIZ: Yeah, we can incorporate it.

17 CHAIRPERSON BUSCHING: Our agenda item says,
18 "Presentation, consideration and possible approval of
19 2006 education plan." Do you have anything else to add?

20 MR. WENDELL: No. We'd actually like to thank
21 you for the opportunity to share this with you. We've
22 been working with Michael and Todd and greatly
23 appreciate this information opportunity. And any
24 questions that you have, certainly your communication
25 will come through one of them.

1 COMMISSIONER BARDORF: On that topic, do we
2 need to hear from staff at all if they have any certain
3 input since they're --

4 CHAIRPERSON BUSCHING: That's just what I'm
5 going to ask next.

6 Mr. Lang.

7 MR. LANG: I have two comments but I think
8 Michael would also like to make some comments. My
9 comment is similarly that, you know, I came on board,
10 this is all new to me, and they've been very helpful and
11 responsive.

12 I frankly had some concerns and questions on
13 the piece they had. I wanted to make a fairly
14 significant change to the message. I wanted to make it
15 much more broad. I thought I was rather narrow. And
16 they were completely responsive to that and took my sort
17 of raw ideas -- which weren't very marketable -- and
18 made it -- made it very presentable. So, they've been
19 very responsive and cooperative and helpful.

20 Michael, did you want to add anything?

21 MR. BECKER: I want to add that I'm comfortable
22 with the recommendation that Off Madison has provided.
23 Again, it is only a recommendation, so there's no action
24 necessarily to be taken today by the Commission. And
25 you as Commission members feel there's issues to be

1 looked at, if you want to add or take something out, I'm
2 more than happy to work with you to something you feel
3 comfortable and ready to move forward with.

4 CHAIRPERSON BUSCHING: Mr. Wendell, for the
5 benefit of Commissioner Scaramazzo, maybe you could
6 briefly tell him what the changes are in the revised
7 draft that was passed out this morning which had been
8 sent out in our pockets.

9 MR. WENDELL: Yes. Actually, Meredith can talk
10 a little bit more about that. The bulk of changes came
11 from the media which Meredith is better speaking to that
12 point.

13 MS. SMYTH: We had some discussions in the past
14 week through some meetings when we sent over the draft
15 and things like that about budgeting, and so some flag
16 times were tweaked from our original information that we
17 sent over.

18 Also looking into additional mediums such as
19 outdoor billboards, and also Hispanic marketing is being
20 researched now, also theater slides will also be looked
21 at in a media perspective. We didn't want to just say
22 right off the guns, okay, we'll just make that
23 recommendation, because we have a really big state here
24 and a lot of theatres.

25 So, you know, there's some research to go into

1 that, how many people are going there, how many people
2 are seeing it, what kind, are we comparing apples to
3 apples, you know, if we did this road versus this road.
4 In the limited amount of time, we are researching and
5 looking into it, absolutely. But it didn't say as a
6 recommendation, we recommend this, this, and this for
7 this potential medium, we added that in.

8 We also added in the tax information that was
9 missing from the first draft. Copy changes.

10 MR. WENDELL: We also added on page four in
11 terms of, like, the key message delivery, we added
12 additional quotes of successful instances where the
13 Clean Election key messages were delivered by one of the
14 spokespeople to a major media outlet. You will see in
15 here there were some quotes in here from Chair Bushing,
16 Todd Lang, Gene Lemon. Someone put here that while I
17 was actually a spokesperson after Ms. Southard left; I
18 filled those shoes for a short period of time before Mr.
19 Becker arrived.

20 MR. LANG: Thank God.

21 CHAIRPERSON BUSCHING: Little did you know.

22 MS. SMYTH: We also took out one of our online
23 media recommendations for adding a page to the existing
24 Websites for sponsors. We determined that making that
25 recommendation right off the bat probably should come

1 after site audits are done. There may be more critical
2 things that should be tweaked or changed at that point.
3 So, we removed that from recommendation.

4 And other than that, like spacing, words,
5 things like that.

6 MR. WENDELL: I mean, most importantly for
7 Commissioner Scaramazzo is the original media buy. The
8 overall budget was slightly over a million dollars, and
9 actually based on our meeting with Todd and Michael did
10 scale things back. We were able to re-re-prioritized
11 some of the efforts, hence the budget now stands at
12 \$900,000.

13 COMMISSIONER SCARAMAZZO: Great. Thank you.

14 CHAIRPERSON BUSCHING: Okay. What's the
15 pleasure of the Commission? Members ready to approve
16 the education plan or are there changes that people want
17 to see made or open it up for discussion?

18 I'll start out for lack of discussion and say
19 that from my own personal standpoint, I also have found
20 Off Madison Ave. to be very good to work with, very
21 responsive, always right on top of responding to media
22 and getting things done and everything.

23 I've liked the messages that they've put
24 together. And I went through the proposal earlier this
25 week and sent off a number of questions, and they've

1 addressed all of the questions, which is another
2 indication of just how responsive they really are. And
3 I'm delighted with what they're doing and I am
4 supportive of the plan as it currently exists.

5 Any other comments or questions? Commissioner
6 Jolley.

7 COMMISSIONER JOLLEY: Yes, I just have a
8 comment. I think that we should have something in place
9 since the election cycle begins in January and at this
10 point we will not be meeting until January. So that's
11 my recommendation.

12 CHAIRPERSON BUSCHING: Do you want to turn that
13 into a motion?

14 COMMISSIONER JOLLEY: Yes, I will make -- or I
15 will move that we approve the 2006 education plan as
16 presented by Off Madison Ave -- or the revised education
17 plan.

18 CHAIRPERSON BUSCHING: Is there a second?

19 COMMISSIONER BARDORF: I'll second that.

20 CHAIRPERSON BUSCHING: It's been moved and
21 seconded that we adopt the revised Off Madison education
22 plan recommendation. Is there further discussion?

23 If not, the Chair will call for the question,
24 all in favor say "aye".

25 (Chorus of ayes.)

1 CHAIRPERSON BUSCHING: Opposed, nay? Chair
2 votes aye. Motion carries.

3 Thank you.

4 MR. WENDELL: Thank you.

5 MS. SMYTH: Thank you.

6 CHAIRPERSON BUSCHING: Well done.

7 The next item is item number six,
8 consideration and the possible approval of substantive
9 policy statement regarding detail and campaign finance
10 reports.

11 Mr. Lang.

12 MR. LANG: Thank you, Madame Chair,
13 Commissioners. This comes as a result of discussions
14 I've had with the legislators. As you know, one of the
15 issues that we've been dealing with enforcement is the
16 question of detail in campaign reports when
17 subcontractors are used. And while we believe that the
18 statute is clear, 16-948(C), and the Rule
19 20-109(A)(1) -- and, in fact, we sent out a letter to
20 clarify to make clear that there was no misunderstanding
21 back in June or July of last year. So, it's
22 well-covered, it's well-established. But based on my
23 meeting with the legislators, they would like something
24 official on the books, so when they get -- when they get
25 their rule books, it has this in there.

1 Again, I believe it's already covered under
2 948(C), but this lays it out very clearly and the gist
3 of the statement is very similar to the letter we sent
4 out last year, which is basically: You can use a
5 consultant, but if you do, you have to provide detail,
6 because if you're using the public's money, the public
7 has a right to know how it's being spent.

8 CHAIRPERSON BUSCHING: Okay. Mr. Lang, the
9 enforcement matter that we have today is, one of them is
10 Mr. Dial, and I noticed that in his he tried to argue
11 that the rule wasn't clear and that -- and that he
12 didn't directly deal with these services or these people
13 that actually provided the services and everything.

14 Do you feel comfortable that this policy
15 statement would address his issues?

16 MR. LANG: That's the intent.

17 CHAIRPERSON BUSCHING: Okay.

18 MR. LANG: So I believe that that's what it
19 will do. Frankly, I don't find his argument persuasive.

20 CHAIRPERSON BUSCHING: Okay.

21 MR. LANG: And this is simply another
22 opportunity for future participating candidates, and for
23 future participating candidates to clearly understand.
24 It's also in our training. It's in our PowerPoints.
25 But, again, I thought why not make a substantial policy

1 statement.

2 And the purpose of the policy statement is how
3 are we going to explain the statutes and enforce the
4 rules? And that's exactly what it does.

5 COMMISSIONER BARDORF: Are these posted on our
6 Website or how are these presented to candidates?

7 MR. LANG: It's in the manual, the rule manual
8 and on the Website as well.

9 COMMISSIONER DETRICK: Madam Chair?

10 CHAIRPERSON BUSCHING: Commissioner Detrick.

11 COMMISSIONER DETRICK: I think this is an
12 excellent policy statement. I -- we saw so much of
13 this, so everything we can do to make certain that
14 everybody understands what the requirements are is very,
15 very important.

16 So that being said, I move that we approve the
17 Substantive Policy Statement No. 15 as presented to us
18 here.

19 COMMISSIONER BARDORF: Commissioner Detrick,
20 would you mind if I suggested an amendment just to the
21 wording of statement?

22 COMMISSIONER DETRICK: I'll expect nothing
23 else.

24 COMMISSIONER BARDORF: Sorry. It's so far --

25 CHAIRPERSON BUSCHING: Do you want to withdraw

1 your motion before we do that?

2 COMMISSIONER DETRICK: Why don't I withdraw my
3 motion.

4 COMMISSIONER BARDORF: I'll make my suggestion
5 and I'll be happy to second your motion. The only
6 concern I have is more to change the last sentence to
7 more closely track the statute, because this with
8 "detail" gave me some pause because it felt like it went
9 back to the problems we had in the first place.

10 "The campaign finance report shall accurately
11 reflect the recipients, that recipient's street address,
12 the amount of subcontract payment, and the nature of
13 goods or services provided by the subcontractor." So,
14 simply to expand the definition of detail to track
15 exactly what's in 948(C). Otherwise, I think it's an
16 excellent idea and I'm more than happy to have anyone
17 respond.

18 CHAIRPERSON BUSCHING: Would you read it again,
19 please?

20 COMMISSIONER BARDORF: "If however the
21 consultant pays for goods and services to be provided by
22 a subcontractor or different vendor, the campaign
23 finance report shall accurately reflect the recipient
24 and that recipient's address, the amount of the
25 subcontract payment, and the nature of goods or services

1 provided by the subcontractor."

2 COMMISSIONER DETRICK: Madame Chair?

3 CHAIRPERSON BUSCHING: Commissioner Detrick.

4 COMMISSIONER DETRICK: Can we hear from the
5 Attorney General also as to the wording?

6 CHAIRPERSON BUSCHING: Ms. Varela.

7 MS. VARELA: Yes. Well, I think it's a good
8 idea, like Commissioner Bardorf said, to track the
9 language of the statute. I think it makes it a little
10 bit more clear than what's here.

11 CHAIRPERSON BUSCHING: All right.

12 COMMISSIONER DETRICK: Well, Madame Chair, let
13 me try again.

14 CHAIRPERSON BUSCHING: Okay. Sorry.

15 COMMISSIONER DETRICK: My motion was premature.
16 I should have waited until we completed discussion.

17 I move that we approve the proposed Substantive
18 Policy Statement No. 15 with the amendment proposed by
19 Commissioner Bardorf.

20 CHAIRPERSON BUSCHING: Is there a second?

21 COMMISSIONER SCARAMAZZO: I'll second that.

22 CHAIRPERSON BUSCHING: It's been moved by
23 Commissioner Detrick and seconded by Commissioner
24 Scaramazzo that we approve the Substantive Policy
25 Statement No. 15 as amended by Commissioner Bardorf.

1 Is there anyone from the public that wishes to
2 speak to this matter?

3 MS. RICHARDSON: Can I make a comment about the
4 subcontractor address?

5 CHAIRPERSON BUSCHING: Yes.

6 MS. RICHARDSON: My only concern with the
7 subcontractor address would be it would change the way
8 we would train our candidates to include that detail in
9 the memo line. We ask them to include the name and
10 amount of the subcontractor. So I wanted to address
11 that before you approve it.

12 COMMISSIONER DETRICK: Madame Chair.

13 What does that mean? What do you mean,
14 it changes the way that you train them? Does that mean
15 it's not possible to do?

16 MS. RICHARDSON: We give them options, like
17 that handout you approved. We give them options to
18 include the address or not.

19 COMMISSIONER DETRICK: So that would not be an
20 option if we require that; is that what you're saying?

21 MS. RICHARDSON: Yes.

22 COMMISSIONER DETRICK: Does that pose problems
23 that you see?

24 MS. RICHARDSON: I don't think so. I just
25 think we'd have to send out a letter to clarify.

1 CHAIRPERSON BUSCHING: I think --

2 MR. LANG: We're happy to do that.

3 MS. RICHARDSON: We're happy to do that. I
4 just want to make everybody aware of what we're telling
5 our candidates right now.

6 COMMISSIONER DETRICK: You don't believe that's
7 an inappropriate burden that would be placed on the
8 candidates? It's not something that makes it too
9 difficult to deal with?

10 MS. RICHARDSON: The way the campaign finance
11 software is setup, they would have to enter that in as
12 separate expenditure for each subcontractor instead of
13 reporting as one single expenditure. It's possible. We
14 have to do a little bit more and clarify what kind of
15 detail we want from our candidates.

16 COMMISSIONER DETRICK: I do have concern that
17 we don't place too many burdens on our candidates. We
18 do want them to participate and we do not want to make
19 this difficult. So, I'm not sure that I want to go
20 forward with my motion. I feel a bit uncomfortable.

21 COMMISSIONER BARDORF: If we deleted the issue
22 of requiring the street address.

23 MS. RICHARDSON: Right.

24 COMMISSIONER BARDORF: The rest would be
25 consistent.

1 MR. RICHARDSON: I think we do subcontractor
2 name and amount. It might be easier for our option to
3 just record the single expenditure and the memo line
4 list the break out. Because the Secretary of State's
5 Office increased the character limit for the memo line
6 just for that purpose, so the candidate can include that
7 on the detail line instead of having to break it out for
8 separate expenditure. So, makes it a little easier for
9 the.

10 COMMISSIONER BARDORF: So, Diana is there any
11 problem with us eliminating the address requirement?

12 MS. VARELA: I'd prefer to go into executive
13 session.

14 CHAIRPERSON BUSCHING: Is there a motion to go
15 into executive session?

16 COMMISSIONER DETRICK: Madame Chair, first let
17 me withdraw my motion because I'm a bit confused.

18 CHAIRPERSON BUSCHING: Commissioner Scaramazzo,
19 are you willing to withdraw your second?

20 COMMISSIONER SCARAMAZZO: You bet.

21 COMMISSIONER BARDORF: I move we go into
22 executive session for the purpose of obtaining legal
23 advice.

24 COMMISSIONER JOLLEY: I'll second that.

25 CHAIRPERSON BUSCHING: It's been moved and

1 seconded by Commissioner Bardorf and seconded by
2 Commissioner Jolley that we go into executive session.
3 All in favor say "aye".

4 (Chorus of ayes.)

5 CHAIRPERSON BUSCHING: Opposed, nay? The Chair
6 votes aye. The motion carries.

7
8 (Whereupon the Commission is in executive
9 session from 10:50 a.m. until 11:07 a.m.)

1 (Whereupon all members of the public are
2 present and the Commission resumes in general session.)
3

4 CHAIRPERSON BUSCHING: We'll go back into
5 regular session. The last motion we had was withdrawn
6 before we went into executive session, so the slate is
7 clean.

8 Any discussion at this point?

9 COMMISSIONER BARDORF: Madame Chair, I would
10 like to change my recommended edits to the proposed
11 policy statement. Keep the first sentence the same, but
12 then the second sentence I would change to state, "If
13 however the consultant pays for goods and services to be
14 provided by a subcontractor or different vendor, the
15 campaign finance report shall include the level of
16 detail" -- or, excuse me -- "shall include the same
17 detail set forth in ARS section 16-948(C) for each
18 subcontractor or vendor."

19 COMMISSIONER DETRICK: Is that a motion?

20 COMMISSIONER BARDORF: If there was no further
21 comment, I would move that we accept the Substantive
22 Policy Statement No. 15 with those edits.

23 COMMISSIONER DETRICK: I'll second.

24 CHAIRPERSON BUSCHING: It's been moved by
25 Commissioner Bardorf and seconded by Commissioner

1 Detrick that we adopt Substantive Policy Statement No.
2 15 as proposed with the changes set forth by
3 Commissioner Bardorf. Any further discussion?

4 Any member of the public wishing to speak to
5 this matter with the changes?

6 Okay. The Chair will call for the question,
7 all in favor say "aye".

8 (Chorus of ayes.)

9 CHAIRPERSON BUSCHING: Opposed, nay? The Chair
10 votes aye. The motion carries.

11 Item number 7, reconsideration of approval of
12 proposed rule changes to R2-20--109(B)(1), allowing
13 statewide and legislative candidates to file an Excel
14 spreadsheet containing the \$5 contributor's information
15 in lieu of inputting the \$5 contributor information to
16 the campaign finance software.

17 Mr. Lang, are you addressing this?

18 MR. LANG: Yes, Madame Chair. Thank you.
19 Commissioners. This is not a reconsideration of the
20 merits; this is simply a correction. Because of the
21 last meeting, the agenda referred to this rule as
22 affecting only statewide candidates. And, as you know,
23 the substance of the rule is broader to the legislature.

24 So this is an open meeting issue, so we're
25 actually asking you to approve, appropriately, the rule

1 change 109(B). And as you can see, on the agenda, item
2 7 today accurately reflects the nature of the rule
3 change.

4 CHAIRPERSON BUSCHING: Anyone from the public
5 wish to speak to this matter?

6 Any discussion or questions by the
7 commissioners? If not, the Chair will entertain a
8 motion.

9 COMMISSIONER BARDORF: Madame Chair, I move
10 that we amend the proposed rule change to
11 R2-20-109(B)(1) to allow statewide and legislative
12 candidates to file an Excel spreadsheet containing the
13 \$5 contributor's information in lieu of the \$5
14 contributor's information into the \$5 campaign software.

15 CHAIRPERSON BUSCHING: Is there a second?

16 COMMISSIONER SCARAMAZZO: I'll second that.

17 CHAIRPERSON BUSCHING: It's been moved by
18 Commissioner Bardorf and seconded by Commissioner
19 Scaramazzo that we approve the proposed rule change to
20 include both statewide and legislative candidates in
21 order to conform with the open meeting law requirements
22 that was previously discussed. All in favor say "aye".

23 (Chorus of ayes.)

24 CHAIRPERSON BUSCHING: Opposed, nay? The Chair
25 votes aye. Motion carries.

1 Item number 8, discussion and consideration of
2 the final auditor general reports and Commission
3 reports.

4 Mr. Lang.

5 MR. LANG: Madame Chair and Commissioners, you
6 have in your packet the final report by the auditor
7 general on our procedures and our enforcement. And, as
8 you know from the previous discussion of the prior
9 meeting of the preliminary reports, we had no great
10 issue with any of the recommendations. We certainly
11 appreciate all the good work and their suggestions, and
12 we agreed to incorporate these or implement these
13 suggested changes.

14 That recommendation has not changed. These
15 final reports are not -- there's no substantive
16 difference between the final reports and the initial
17 reports. And so we would -- I'm not sure if Commission
18 action is required, other than, say, we take the same
19 position we've taken previously which is we appreciate
20 it and will try to implement their suggestions as much
21 as we can.

22 CHAIRPERSON BUSCHING: Thank you. Any
23 questions of Mr. Lang?

24 Okay. If not, since he indicates that no
25 motion is necessary, we'll go to the next item.

1 Item number nine, discussion of Commission
2 enforcement practices for 2006 election cycle. I asked
3 this to be put on the agenda because I know there have
4 been some issues from various people where we will do
5 selective enforcement and priority of enforcement. So,
6 I asked Mr. Lang to address that for us.

7 If you would, please.

8 MR. LANG: Thank you, Madame Chair,
9 Commissioners. I guess what I seek from you is feedback
10 and constructive criticism and suggestions. What my
11 plan is -- I wasn't here for the 2004 enforcement
12 cycle -- but, as you know, we had staff challenges and
13 that sort of thing, but I do not intend to have any of
14 this go around. We have Genevra Richardson in place and
15 Michael Becker is in place, and I also intend to hire
16 someone that can assist with enforcement.

17 So my philosophy is to enforce every case that
18 comes before us. Whether that means to the hilt and
19 seek -- what is it -- seek no quarter, and be
20 unreasonable? No. Obviously, in cases where there's no
21 harm to opposing parties, no intent to violate the law,
22 and no history of violations, we will seek to settle.
23 That is my philosophy. If we can settle the case in an
24 amicable fashion where both sides acknowledge there's a
25 violation and it's remedied in some fashion, it will be

1 fine.

2 Stricter enforcement will be required where
3 adversity affects the race through delayed matching
4 funds or what have you. And my philosophy there is to
5 recommend stricter enforcement to the Commission.

6 As for selective enforcement or not, my
7 intention is to, certainly, quickly process every
8 complaint we get. As you know, unfortunately, we do get
9 frivolous complaints, and those will be a challenge, but
10 we will process them. Part of that plan is to include
11 -- have all the staff working on it. And my goal is to
12 not require any outside consultants, but I also tell you
13 that if we find ourselves falling behind, I would want
14 to hire outside consultants, whether it be Gene Lemon or
15 someone else, whatever it takes to quickly process these
16 complaints.

17 Internal complaints will depend on how quickly
18 we get a second staff person up to speed, because
19 there's no way that Genevra Richardson and the rest of
20 us can review every campaign finance report for
21 violations until we get extra staff. It's -- it simply
22 would be impossible, especially with the gubernatorial
23 reports, enormous as they are.

24 So my philosophy there would be to review every
25 complaint we get and also to do spot checks as much as

1 possible. And to enforce any trigger report violations
2 or anything of the like. That's the plan.

3 I'd love to hear your feedback, or your
4 concerns, or what have you.

5 COMMISSIONER DETRICK: Madame Chair.

6 CHAIRPERSON BUSCHING: Commissioner Detrick.

7 COMMISSIONER DETRICK: Sounds like a plan. It
8 sounds like a good plan. And I think one of the lessons
9 that we've learned throughout the years is that we have
10 to have rapid responses. So, it does take a heck of a
11 lot of energy on the staff to look at everything and,
12 you know, to complete the review items, and to
13 anticipate issues. And I think Todd is putting --
14 placing himself in a position to do that and having the
15 right kind of staff, having sufficient staff, knowing
16 when to go out to get additional staffing, or
17 consultants, or whatever is just absolutely essential to
18 having a smooth process.

19 We all know that -- although we like to have no
20 complaints or no wrongdoing or frivolous complaints, it
21 just happens. And so it sounds like a good plan to me.

22 MR. LANG: May I?

23 CHAIRPERSON BUSCHING: Uh-huh.

24 MR. LANG: I should also mention, a big part of
25 our philosophy -- Genevra, Michael, and I already and

1 Paula and Colleen, we are all working on this, is
2 improved increased communication with candidates, giving
3 them a heads up whenever possible, talking to them about
4 the situation, without of course violating any ex-party
5 issue that we have. So, that's a big part of our
6 philosophy as well.

7 Our goal is to have less enforcement and the
8 way to do that is not by not doing our job, but
9 communicating the rules and communicating the
10 requirements as much as possible.

11 In 2002 there was criticism because we went
12 after so many nonparticipating candidates. That's
13 because they were all violating the trigger report
14 requirements. It wasn't because we had an agenda. So
15 if we do our job, the nonparticipating candidates will
16 know they have to do their reports every day and the end
17 result will be they'll be happy because we won't be
18 doing enforcement and we'll be happy because they won't
19 be violating any trigger report requirements.

20 COMMISSIONER BARDORF: Madame Chair. One
21 thing, you know, that I like in your plan and what I was
22 going to say is that we don't want, you know, like you
23 said, the goal is to have nobody violating. I can't
24 imagine anyone intentionally does it. I'm sure it's
25 just the accounting nightmare that can arise from all of

1 this.

2 But I think it's important that we have a goal
3 of addressing every case. Because obviously this is
4 politics and people are constantly suggesting that we're
5 not blind when we pursue enforcement. So, I think it's
6 important to have a policy of pursuing every case. Our
7 charge is to enforce. And not that it gives us any
8 pleasure and we want to go after people, but when there
9 are issues, I think everybody should be treated the
10 same. So I think a goal of across-the-board enforcement
11 rather than selective enforcement is the best way to
12 make sure that the people understand that our intention
13 is to be fair.

14 MR. LANG: In response to that, fair
15 enforcement settlements are on a case-by-case basis but
16 the same criteria will be used in all cases, rather for
17 settlement or enforcement. I agree with you 100
18 percent.

19 CHAIRPERSON BUSCHING: And I agree totally too.
20 One of the reasons that -- well, there were a number of
21 reasons that I put this on the agenda, but one of the
22 reasons I put this on the agenda is that having gone to
23 the COGEL conference in the past, there had been
24 speakers there that talked about how you -- staff in
25 these circumstances get so busy during an election with

1 seeing if there's enough funding or rather should be
2 matching funding or all of that, that they don't have
3 time to really pursue enforcement matters. And that
4 rather than do an enforcement matter and not investigate
5 it thoroughly and just try to get it out there and get
6 it resolved, some of the speakers that I heard had
7 indicated that you're much better off setting the
8 enforcement matter aside during the election period and
9 then allowing the time afterwards to do a thorough
10 investigation rather than a haphazard investigation
11 during the election cycle.

12 Now, I fully realize that this can cut both
13 ways. I mean, we've seen situations where candidates
14 wanted to get their violations or alleged violations
15 resolved to clear their name, if you will, which is, you
16 know, a very admiral goal. And also seen situations
17 where an attempt to clear their name, we've actually
18 almost overlooked violations and resolved things, when
19 on hindsight and further investigation, we discovered
20 there was a lot more there that we should have been
21 looking at.

22 And so I'm -- I'm concerned that we're -- and I
23 know Commissioner Scaramazzo this was one of your issues
24 that you wanted to address is that, how are we going to
25 deal with this? What is our guidance to staff on, you

1 know, do we want to get these things resolved quickly
2 and clear the candidate's name, or do we want to be
3 deliberate or make sure that we have full
4 investigations, you know.

5 There's a delicate balance there and I'd like
6 to know from other Commission members, you know, do you
7 weigh in favor of quickly resolving complaints or do you
8 weigh in favor of a more deliberative approach when you
9 don't have time for both?

10 Commissioner Jolley.

11 COMMISSIONER JOLLEY: Chairperson Busching,
12 what happens when you're weighing on something and you
13 got to reimburse a candidate or give them matching
14 funds, and you put something off? I mean it can be a
15 very critical issue for some candidates.

16 CHAIRPERSON BUSCHING: Exactly.

17 COMMISSIONER JOLLEY: So.

18 CHAIRPERSON BUSCHING: And I think that there's
19 no question that the matching funds issue has to be
20 primary, because that certainly goes to what can be
21 spent during the election period. And if they don't
22 have the funds to spend, well, it's too late. Whereas
23 enforcement, you know, may effect our campaign, but may
24 not effect our campaign. I guess, so --

25 COMMISSIONER DETRICK: Well, Madame Chair, I

1 think a lot of this goes back to what Todd said earlier
2 which is there has to be a strong focus on educating
3 those participating in the program and those who don't
4 participate in the program about what the requirements
5 are, so we can eliminate some of the more minor issues.
6 And then that will allow the Commission more time to
7 spend on the true violations. So I think that it does
8 go back to education.

9 But I do believe from a candidate's
10 perspective, we heard over and over again that it takes
11 too long to resolve the issues. So, whenever we can, I
12 think it's important to try to resolve complaints and
13 get compliance and let people get on about the election
14 process instead of having this diversion to some kind of
15 a campaign violation.

16 CHAIRPERSON BUSCHING: Commissioner Scaramazzo,
17 do you have any input?

18 COMMISSIONER SCARAMAZZO: I'm listening to the
19 comments and certainly concur with what's been said.
20 And I think that anything we can do on the positive side
21 on the, you know, any of the educational type of issues
22 that we can do. And I'm looking for Todd and the staff
23 to be able to, you know, continue on the path that I've
24 heard them express, so that we can, you know, minimize
25 the amount of investigations that we have.

1 But, at the same time, if and when those do
2 occur, I'm just all in favor of not -- not expediting
3 for expediency sake but go ahead and do a thorough job
4 and not have things languishing for a year out, and hold
5 ourselves up to the criticism where the candidates,
6 potential candidates or elected candidates, basically
7 are sitting there after the fact saying we drug our feet
8 and use that as a basis then to say there's some kind of
9 selective enforcement going on.

10 So, I think the more we can do upfront, the
11 more -- or the easier it will make it on the candidates
12 and on the Commission also, and on the staff. So, I
13 like what I'm hearing.

14 CHAIRPERSON BUSCHING: Okay. Thank you. Any
15 other questions or comments by members of the
16 Commission?

17 Is there anyone from the public that wishes to
18 speak to this matter? No.

19 Okay. Then do you have some guidance Mr.
20 Lang?

21 MR. LANG: I do. I do. Thank you.

22 CHAIRPERSON BUSCHING: Good. All right.

23 MR. LANG: Do a good job, I think.

24 COMMISSIONER BARDORF: Yeah, don't make a
25 mistake.

1 CHAIRPERSON BUSCHING: Yeah. And since there's
2 nothing for us to take any action on that, we'll move to
3 item number 10, discussion and possible action on the
4 following enforcement matters, Item A, MUR 04-0043,
5 Peggy Toomey Hammann. Discussion and possible action
6 regarding designating Commission representative for
7 purposes of informal settlement conference by Peggy
8 Toomey Hammann.

9 Mr. Lang, are you handling this?

10 MR. LANG: Thank you, Madame Chair, I am. Ms.
11 Richardson will be handling the other enforcement
12 matter.

13 This is a rather simple process. We received
14 an e-mail on October 27th -- actually, received it on
15 November 10th. Yeah, I received it on November 10th by
16 Peggy Toomey Hammann requesting a settlement conference.
17 And I told her we would try to do it as quickly as
18 possible. As you know, we have 15 days from the date of
19 request to do that so it brings us right into
20 Thanksgiving. So, hopefully do it sooner rather than
21 later. And we need to designate preferably a
22 Commissioner to do the settlement conference.

23 Do you want to participate?

24 MS. VARELA: Yeah.

25 CHAIRPERSON BUSCHING: Is Ms. Hammann local

1 these days or do we have an idea where she's residing?

2 MS. RICHARDSON: My understanding is she's in
3 Page right now.

4 MR. LANG: So, she's local to Commissioner
5 Scaramazzo.

6 That was a setup.

7 COMMISSIONER BARDORF: We moved her to Page.

8 COMMISSIONER SCARAMAZZO: I didn't hear that.

9 CHAIRPERSON BUSCHING: The comment was that
10 she's local to Page and so --

11 COMMISSIONER SCARAMAZZO: I think that's a
12 rumor.

13 CHAIRPERSON BUSCHING: In keeping with much of
14 our prior practice, would Commissioner Scaramazzo --
15 because she allegedly is located in Page -- would you be
16 willing to be the designated Commission representative
17 on this?

18 COMMISSIONER SCARAMAZZO: Yes, I would.

19 CHAIRPERSON BUSCHING: Okay. Mr. Lang, you had
20 something else?

21 MR. LANG: I'm sorry, Madame Chair. Just to
22 make sure, Commissioner Scaramazzo is it possible for
23 Diana Varela to join you by phone as the attorney for
24 the Commission?

25 COMMISSIONER SCARAMAZZO: Certainly.

1 MR. LANG: Why don't you get in contact with
2 our staff and we'll set that up for you?

3 COMMISSIONER SCARAMAZZO: That sounds good.

4 CHAIRPERSON BUSCHING: Let's have a motion
5 first. Is there a --

6 COMMISSIONER DETRICK: Madame Chair.

7 CHAIRPERSON BUSCHING: Commissioner Detrick.

8 COMMISSIONER DETRICK: I move that we designate
9 Commissioner Scaramazzo to be the Commission
10 representative for the purpose of the informal
11 settlement conference of Peggy Toomey Hammann in MUR
12 04-0043.

13 COMMISSIONER BARDORF: Second.

14 CHAIRPERSON BUSCHING: It's been moved by
15 Commission Detrick and seconded by Commissioner Bardorf
16 that Commissioner Scaramazzo be designated the
17 Commission representative with respect to MUR 04-0043.
18 Any further discussion?

19 If not, the Chair will call for the question,
20 all in favor say "aye".

21 (Chorus of ayes.)

22 CHAIRPERSON BUSCHING: That was pretty quiet.

23 COMMISSIONER SCARAMAZZO: Yeah, that was an "I
24 think".

25 CHAIRPERSON BUSCHING: Chair votes aye. The

1 motion carries.

2 Item 10B, MUR 04-0077, Jeff Dial. Reason to
3 believe recommendation.

4 Ms. Richardson.

5 MS. RICHARDSON: Good morning, Commissioners.
6 I just want to present to you the internally generated
7 complaint and reason to believe recommendation from Mr.
8 Gene Lemon. We were in the process of looking into the
9 fixed asset purchases that turned up on the audit report
10 that the Commission had approved and filed an internally
11 generated complaint. Mr. Dial had responded to that
12 complaint and in that process we found other things on
13 the campaign finance report that we felt needed
14 attention. In particular, the expenses that were made
15 to Mr. Constantine Querard for campaign literature that
16 did not include the detail we require under ARS
17 16-948(C). So, we would like to recommend the
18 Commission to find reason to believe -- to require Mr.
19 Dial to come into compliance.

20 CHAIRPERSON BUSCHING: Okay. Any questions of
21 Ms. Richardson?

22 Is there anyone from the public that wishes to
23 speak to this matter?

24 Any discussion by members of the Commission?
25 If not, the Chair will entertain a motion.

1 Commissioner Jolley.

2 COMMISSIONER JOLLEY: Commissioner or
3 Chairperson Busching, in the matter of MUR 04-007 Mr.
4 Jeff Dial, participating candidate for State
5 Representative District 20, that I move that the
6 Commission find reason to believe that there's a
7 violation of the reporting requirements.

8 CHAIRPERSON BUSCHING: Okay. Is there a
9 second?

10 COMMISSIONER BARDORF: Second.

11 CHAIRPERSON BUSCHING: It's been moved by
12 Commissioner Jolley and seconded by Commissioner Bardorf
13 that we find reason to believe a violation has occurred
14 in MUR 04-0077, Jeff Dial.

15 Any further discussion? If not, the Chair will
16 call for the question, all in favor say "aye".

17 (Chorus of ayes.)

18 CHAIRPERSON BUSCHING: Nay? Chair votes aye.
19 Motion carries.

20 Item number 11, legal report from Assistant
21 Attorney General Diana Varela, update on office holder
22 expense account rule.

23 MS. VARELA: Okay. My understanding is I don't
24 really have an update on the rule itself, just an
25 update. I know that the Commission had requested an

1 Attorney General opinion. There has not been a request
2 submitted to the Attorney General's Office. We had
3 waited for Todd to come on board, so things are sort of
4 at the status quo right now.

5 CHAIRPERSON BUSCHING: Okay.

6 COMMISSIONER BARDORF: And that was the request
7 that had sort of subparts, right?

8 Was that the one that had four parts or
9 something like that?

10 CHAIRPERSON BUSCHING: Uh-huh.

11 COMMISSIONER BARDORF: Is this the first you're
12 hearing about it, Todd?

13 MR. LANG: No.

14 MS. VARELA: I don't remember the subparts, but
15 I actually would advise we go into executive session
16 because I would like to provide more information, legal
17 advice, on this.

18 COMMISSIONER BARDORF: Madame Chair, I move
19 that we go into executive session for the purpose of
20 receiving legal advice.

21 COMMISSIONER JOLLEY: I second that.

22 CHAIRPERSON BUSCHING: It's been moved by
23 Commissioner Bardorf and seconded by Commissioner Jolley
24 that we go into executive session for the purpose of
25 obtaining legal advise. All in favor signify by saying

1 "aye".

2 (Chorus of ayes.)

3 CHAIRPERSON BUSCHING: Opposed, nay? Chair
4 votes aye. Motion carries.

5
6 (Whereupon the Commission is in executive
7 session from 11:32 p.m. until 11:50 p.m.)

8
9 (Whereupon all members of the public are
10 present and the Commission resumes in general session.)

11
12 CHAIRPERSON BUSCHING: We're back in regular
13 session. We're still on item number 11, legal report
14 from the Assistant Attorney General Diana Varela, update
15 on office holder expense account rule.

16 I want to note for the record, Commissioner
17 Scaramazzo had to sign off the telephone call as he had
18 another engagement.

19 Do we have any further discussion on this?
20 Okay. No discussion.

21 Thank you.

22 MS. VARELA: You're welcome.

23 CHAIRPERSON BUSCHING: Item number -- maybe I
24 should ask. Is there anyone from the public that wishes
25 to speak to this before we move on? Okay.

1 Item number 12, call for public comment. This
2 is the time for consideration and discussion of comments
3 and complaints from the public. Action taken as a
4 result of public comment will be limited to directing
5 staff to study the matter or rescheduling the matter for
6 further consideration and decision at a later date or
7 responding to criticism.

8 Anyone from the public wish to speak?

9 If not, item 13, adjournment. I'll entertain a
10 motion.

11 COMMISSIONER DETRICK: So moved.

12 COMMISSIONER JOLLEY: I'll second that.

13 CHAIRPERSON BUSCHING: It's been moved by
14 Commissioner Detrick and seconded by Commissioner Jolley
15 that we adjourn.

16 All in favor signify by saying "aye".

17 (Chorus of ayes.)

18 CHAIRPERSON BUSCHING: Opposed, nay? Chair
19 votes aye. Motion carries.

20 The meeting is adjourned.

21
22 (Whereupon the proceeding concluded at 11:52
23 a.m.)
24
25

C E R T I F I C A T E

I, Angela Furniss Miller, Certified Reporter,
do hereby certify that the foregoing pages numbered 1
through 83, inclusive, constitute a full and accurate
printed record of my stenographic notes taken at said
time and place, all done to the best of my skill and
ability.

DATED, at Phoenix, this 15th day of December,
2005.

Angela Furniss Miller, RPR
Certified Reporter (AZ50127)